

EXHIBIT 2

Resolution 03-10 approved by the CalHFA Board of Directors

at the public meeting on January 9, 2003

RESOLUTION 03-10

RESOLUTION APPROVING PROPOSED AMENDMENT TO REGULATIONS
CONCERNING LOANS ELIGIBLE FOR MORTGAGE INSURANCE

WHEREAS, the California Housing Finance Agency (the "Agency") through its Board of Directors (the "Board") is authorized to adopt and, where appropriate, to amend or repeal regulations; and

WHEREAS, the Board has determined that the proposed amendments to the Agency regulations attached hereto are necessary and appropriate for adoption by the Agency,

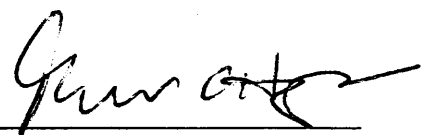
NOW, THEREFORE, BE IT RESOLVED by the Board of Directors as follows:

1. The attached amendments to the Agency's regulations, incorporated herein by reference, concerning loans eligible for mortgage insurance, are hereby approved.

2. The staff is directed to give public notice, conduct any required public hearing and take such other action as may be necessary or proper for the adoption by the Agency of such amended regulations. The staff is authorized to make non-material revisions to these amendments, without further Board approval, as may be appropriate in the course of promulgating these amendments.

I hereby certify that this is a true and correct copy of Resolution 03-10 adopted at a duly constituted meeting of the Board of Directors of the Agency held on January 9, 2003, at Millbrae, California.

ATTEST:


Secretary



PROPOSED AMENDMENT TEXT

Title 25, Division 2, Chapter 10, Article 2, § 19200 of the California Code of Regulations shall be amended to read as follows:

§19200. Loans Eligible for Insurance.

The California Housing Finance Agency ("Agency") may insure the following types of loans:

(a) Loans ~~made by the Agency~~ to finance the construction, acquisition, rehabilitation or improvements to single family residential structures.

(b) Loans ~~made by the Agency~~ to finance the construction, acquisition, rehabilitation or improvements to rental housing developments.

~~(c) Non Agency financed loans to finance the construction, acquisition, rehabilitation or improvements to rental housing developments where at least 10 percent of the dwelling units are made available to lower income households as provided in Section 51226(b) of the Code.~~

NOTE: Authority cited: Section 51050(e), Health and Safety Code.

Reference: Section 51654, Health and Safety Code.

PROPOSED AMENDMENT TEXT

Title 25, Division 2, Chapter 10, Article 2, § 19205 of the California Code of Regulations shall be amended to read as follows:

§19205. Loan Terms--Maximum Length and Loan to Value Ratio.

The Agency will not insure loans which have a longer term or higher loan to value ratio than set forth below. The maximum loan term is in all cases to be no greater than 4/5 of the economic life of a structure even if that period is less than the maximum set forth herein. In cases where the structure is older than five years, the Agency will require an appraisal to establish the economic life of the structure.

	Maximum Loan Term	Maximum Loan to Value Ratio
Loans for single family residential structures (other than property improvement loans not involving an acquisition or refinance of an existing loan).	32 years	97% <u>107%</u> *
Property improvement loans for single family residential structures not involving an acquisition or refinance of an existing loan.	15 years	90% *
Loans for multifamily rental housing developments.	40 years	90% *

* Total of all loans on property including property improvement and rehabilitation loans.

NOTE: Authority cited: Section 51050(e), Health and Safety Code.

Reference: Section 51652, Health and Safety Code.